



# **CYNGOR LLYFRAU CYMRU WELSH BOOKS COUNCIL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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Registered Charity: 505262

[www.books.wales](http://www.books.wales)



**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
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**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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The trustees present their report, together with the accounts for the year ending 31 March 2019.

**Main Activities of the Charity**

- To stimulate interest in books in Welsh, and Welsh books in English, together with other related material;
- To promote the publishing industry in Wales and to coordinate the interests of authors, publishers, booksellers and libraries;
- To assist and support authors by providing services and by awarding grants/commissions which are channelled through publishers;
- To distribute grants to help publish quality material in both Welsh and English and to ensure that the output is widely available.

**Public Benefit Declaration of Interest**

The Executive Committee have considered their duty in accordance with Section 17 of the Charities Act 2011 regarding Public Benefit. They are satisfied that the charity's activities during the year, as described in this report, are in accordance with these criteria. The core aim of the Books Council is to provide benefit to the readers of Wales – in both languages.

**Administrative details**

Name of Charity	Cyngor Llyfrau Cymru / Welsh Books Council
Registered Charity	505262
Registered Address	Castell Brychan Aberystwyth Ceredigion SY23 2JB
Auditors	Llŷr James Chartered Accountants & Registered Auditors 25 Bridge Street Carmarthen SA31 3JS
Bank	HSBC plc Harford Square Lampeter Ceredigion SA48 7DU
Chief Executive	Helgard Krause
Investments Broker	Blackrock 12 Throgmorton Avenue, London EC2N 2DL

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**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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**Trustees**

Members of the Executive are the Welsh Books Council's trustees. A representative or co-opted member shall hold office for three years calculated from the date of the General Meeting following the date of his or her appointment or co-option provided that when any member, for any reason, vacates office before the end of his or her term of office the Council, at the recommendation of the Executive Committee or, as the case may be, the body represented by such member, may fill such vacancy by appointing a substitute to hold office until the end of the said term of office. The trustees for 2018/19 are:

**Chief Officers**

Professor M. Wynn Thomas	Chairman
Mrs Rona Aldrich	Vice Chairman
Professor Jane Aaron	Honorary Secretary
Mr Chris Hywel Macey	Treasurer
Mr Gwydion Hughes	Honorary Counsel
Mr Alun P. Thomas	Honorary Solicitor

**Local Authorities**

Councillor Paul Rowlinson	Gwynedd
Councillor Ian B. Roberts	Flintshire
Councillor Edwin Roderick	Powys
Councillor Lis Brunett	Vale of Glamorgan
Councillor Jason Hughes	Newport
Councillor Geraint E. Hopkins	Rhondda Cynon Taf
Councillor Ernie C. Galsworthy	Merthyr Tydfil

**Other Representatives**

Mr Richard Bellinger	County Librarians
Mr Gareth Griffiths	County Librarians
Mr Meilyr Rowlands / Mr Dyfrig Ellis	Estyn
—	Arts Council of Wales
Mr Dafydd Watcyn Williams	WJEC
Mrs Linda Tomos	National Library of Wales
Mrs Kathryn Parry	CILIP Cymru Wales
Mr Ion Thomas / Ms Bethan Gwanas	Friends of the Welsh Books Council
Ms Marian Delyth	Friends of the Welsh Books Council
Mr Dafydd John Pritchard	Literature Wales
Mr Robat Arwyn	Council Panels
Mrs Lorna Herbert Egan	Council Panels
Professor Daniel G. Williams	Council Panels
Rev. Lyn Léwis Dafis	Co-opted Member
Dr Cathryn Charnell-White	Co-opted Member

## CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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#### Constitution

The Welsh Books Council's governing instrument is a written constitution. The Welsh Books Council is an independent unincorporated association established for charitable purposes only. The Constitution was amended on 30 June 2017.

#### The Council and its committees

The Books Council is governed by a Council and Executive Committee which are appointed under the terms of its Constitution and comprise representatives of local authorities and a cross-section of the cultural organisations of Wales. Members of the Executive Committee serve as trustees of the charity. The Nominations Panel, a sub-committee of the Executive Committee, appoints members to specialist panels which report to the Executive Committee. The function of the Nominations Panel is to ensure that the system of appointing members, through an open advertising process, is conducted with fairness and transparency, in line with best practice.



#### A summary of the year

Reflecting on the last 12 months, it struck me once again how fortunate our organisation is in being able to draw upon the experience and skills of our staff and the generosity of volunteers. Without the latter we would not be able to be as effective, connected and forward looking. It is the hours of expertise that is so freely and generously given that underpins our work and enables us to deliver the best outcome for the publishers, authors and readers. That is not to underestimate the considerable contribution our staff also make, as without them the Welsh Books Council wouldn't exist. Therefore, my first and foremost thanks is to both groups and especially the Trustees and Chairman on whom we call frequently to support our work.

Without the support of Welsh Government we would not be able to support the book industry at the current level, and it was therefore a great pleasure to be able to welcome the Deputy Minister for Culture, Sport and Tourism, Lord Dafydd Elis-Thomas AM, to both the Distribution Centre and Castell Brychan, to discuss our ongoing business and future plans; children's publishing, international

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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book fairs and capital investment in our IT infrastructure took centre stage during his visit. We were grateful to have the Minister for International Relations and the Welsh Language, Eluned Morgan AM, at the launch of our ground-breaking series Amdani at the Urdd Eisteddfod; in cooperation with the National Centre for Learning Welsh we conceived and funded this series to support adult Welsh learners by providing leisure reading which is closely aligned to the national teaching modules.

Another milestone for Wales was the launch of the Reading Well for Dementia Scheme which for the first time saw diverse books on the condition published in the Welsh language. We are proud that the ultimate financial support for delivering a credible book programme, published in Wales by Welsh publishers, was secured due to a direct intervention by the Books Council. We would also like to thank Beti George for her tireless support in promoting the scheme and for her moving personal contribution during the launch in Cardiff. We are now looking forward to delivering the second part of the scheme which will focus on Adult Mental Health.

This last financial year also saw us hold and award the tenders for both Welsh- and English-language magazines, with some exciting new ventures being supported for the first time:

*Cara*, a new Welsh-language magazine for women edited by a mother/daughter team; *Lysh*, an online Welsh-language magazine for teenage girls; and Nation.Cymru, an on-line national news and opinions platform in the English-language.

The world of Welsh-language books experienced what can only be described as a phenomenon in *Llyfr Glas Nebo*, a novel for young adults which not only won the Medal Ryddiaith (Prose Medal) at the National Eisteddfod for its author, Manon Steffan Ros, but also went on to be the biggest selling novel in decades; most importantly, perhaps, it inspired many readers, young and old, to pick up their first Welsh-language book in a while. We have much to learn from this perfect 'storm' that created the excitement and word of mouth buzz that led to its astounding success. It is also proof that there is a ready market for excellent story-telling in the Welsh language.

The English-language book that took us all by surprise was Parthian's *Raid over Berlin* which, following some excellent exposure on *The One Show*, resonated just as much with readers as it capitalised on the commemoration of the Second World War, and it went on to become Parthian's bestselling title in 2018, with significant sales beyond Wales.

Both titles were published as part of the programme grants we award to publishers and it is delightful to know that we have played our part, alongside the authors, publishers, editors and designers, to bring them both into being.

There would be little point in supporting books we wouldn't be able to connect to readers. Nurturing a love of reading for pleasure through a number of existing and new schemes is becoming increasingly important as we are concerned about the declining number of regular readers, a trend that is not particular to Wales but one that is a challenge to the sector worldwide. The Reading Promotion Department continues its excellent work:

No. of children who took part in the Summer Reading Challenge 2018	40,213
No. of counties that took part	100%
Sales of Quick Reads/Stori Sydyn titles	5,723
Visits to schools – Author Tours (7 tours)	21

Our cooperation with schools and libraries is the bedrock for most of our schemes and we are looking to reach communities and families themselves as research highlights how crucial that

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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connection is for the long term success of our endeavour; it is in this context that we are also advising Welsh Government on the publishing aspects of resources for the new curriculum.

We have been very pleased with the success of delivering the first National Poetry Day in cooperation with the Jerwood Foundation by extending our activities to bookshops, raising the profile and sales of poetry books from Wales in both languages.

It was a pleasure to have the opportunity to welcome Ceredigion MP Ben Lake to the Distribution Centre; it was also an opportunity for him to meet some of our longest-serving staff who have been with us for over 40 years, and also to meet the newest recruit on an apprenticeship scheme. Through stringent cost control the Distribution Centre achieved a modest profit after reinvesting in the region of £100,000 through offering free handling, packing, postage and returns for distributed clients and booksellers.

#### Statistics for the Distribution Centre:

Number of books sold	575,789
Number of books in stock	471,876
Number of buying customers in 2018/19	548
Customers outside Wales	38
Value of sales outside Wales	£362,972
Number of suppliers to the Distribution Centre	559
Sales to top 10 highest suppliers	71%

The economy in Wales is not immune to global upheaval and change, and it is against this backdrop that we are continuously examining how we can improve our services, seeking to invest further in our IT infrastructure whilst continuing to work with publishers to become more resilient, and supporting booksellers so that they can continue their vital contribution to our local communities. We will continue to increase our activities to instil or rekindle a love of reading in both young people and adults by building on existing partnerships and seeking out new opportunities, making our contribution to the national undertaking that sees Wales as a nation that embraces life-long learning.





**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

**Achievement and Performance**

<b>KEY TARGETS 2018/19</b>		
	<b>2018/19 Target</b>	<b>2018/19 Achieved</b>
Manuscripts – Editorial Department	170	201
Number of titles assisted by the Design Department	110	110
Reviews on Gwales	200	193
Distribution Centre	£4.05m gross £2.7m net	£4.02m gross £2,678,720 net
Level of Distribution Centre debtors	No more than 2%	1.6%
Gwales: targets for on-line sales to shops and individuals	£3,042,530	£2,676,049
Services to Schools	Visits: 500 Value of orders: £400,000	Visits: 514 Value of orders: £373,835
Outreach Scheme	Events: 350 Sales: £150,000	Events: 312 Sales: £124,686

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

<b>KEY TARGETS 2018/19 – PUBLISHING GRANTS</b>		
	<b>2018/19 Target</b>	<b>2018/19 Achieved</b>
<b>Publishing Grants (Welsh-language)</b>		
Number of titles published	215	231
Average sales	1,000 after 18 months	831
Number of Welsh-language magazines	15	15
Prompt publishing in accordance with the timescale	95%	98%
<b>Publishing Grants (English-language)</b>		
Number of Literature Grant titles published	75	80
Number of author advance titles published	15 (to be published) (+ 10 commissioned)	13 (published) (+ 15 commissioned)
Marketing Grants	20	17
Number of literary magazines	5	5
Average sales of literary magazines	General – 1,000 Multi-focus – 500 Individual focus – 400	General – Print: 1,420 / Website: 17,663 Multi-focus: Print: 570 / Website: 1,944 Individual focus – Print: 572
Prompt publishing in accordance with the timetable	95%	95%

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**Financial Review**

A total income of £7m was received during the year compared to £6.8m in 2017/18 – with the increase mainly relating to the Reading Well scheme, but the success of the Eisteddfod was another contributing factor. This was the first year in the last 4 years that an additional capital grant was not provided in addition to the £30,000 current capital grant.

A total of £7m (£6.9m in 2017/18) was spent and it produced a net deficit of £41,369 (2017/18 – a deficit of £98,010). On 31 March 2019, the net assets (excluding pension liabilities) were £1.3m (2017/18: £1.1m). A pension deficit certainly clouds the positive financial performance, where the Distribution Centre has been able to generate profits, despite rising costs, and where there have been savings in internal costs. It will be necessary for us to ensure that internal costs remain low in order to ensure that there is enough funding for the press, authors, shops and reading promotion projects.

**Reserves Policy**

This Reserves Policy is designed to ensure that the Council has enough funds to meet unforeseen capital expenditure and to deal with risk factors associated with the running of a Distribution Centre that receives no funding from the public purse. The Books Council keeps these financial funds in several categories:

**Unrestricted Funds**

- Capital Funds – £500,000 to meet the historic cost of buildings and unexpected capital expenditure.
- Revenue Funds
  - Pension: At 31 March 2019, there was a remainder of £1,946,000 (2017/18: £1,442,000). The Trustees have agreed contributions with the Dyfed Pension Fund until 31 March 2021, so they no longer have control over the amount of this fund.
  - Council: Maintain a reserve balance of no more than 2% of core funding (which equates to £76,380 in 2018/19).
  - Distribution Centre: Target of sufficient fund to cover overheads for 6 months (excluding discount) (£253,093 based on 2018/19 figures). The size of the fund this year is £220,821, and as such it is quite close to the target.

**Designated Funds**

A target of £230,000 for urgent computer developments which cannot be funded through normal revenue funding. This may include emergency or long-term projects on new systems. The fund was not used in 2018/19, but the funding is needed as match funding for the funding of a new system.

**Restricted Funds**

These funds are for use only as noted in note 19.

**Main sponsors**

We are extremely grateful to the Welsh Government for providing a large proportion of the Books Council's funding; without this support, it would not be possible for the Council to carry out its work.

**Investments policy**

In accordance with the Constitution, the charity trustees have the power to invest when they believe that investment is appropriate. The assets of the charity are available and sufficient to meet the requirements in the foreseeable future.

**Volunteers**

The charity is very grateful for the contribution of volunteers who work free of charge on the various panels and projects of the Books Council. As we cannot put a financial value on all this work, it is not included in the Statement of Financial Activities.

**Related party transactions**

The staff and trustees declare any interests annually and as they arise. There are no associated party transactions during the year ending 31 March 2019 by the trustees or any other member of the Management Team.

**Risk Management**

The Council has considered and assessed every risk that could affect the charity. This risk assessment process encompasses not only the financial situation, but also strategic and circumstantial considerations. The Council confirms that systems have been put in place to mitigate all such risks identified as part of this process.

**Viable Business Assumption**

The Trustees have a reasonable expectation that the Books Council has enough resources to continue to act as a going concern. For that reason, it continues to prepare a Financial Statement based on being a viable business.

**Equal Opportunities Policy**

The Welsh Books Council is an equal opportunities employer. It does not allow discrimination on the grounds of gender, race, colour, disability, ethnic background or socio-economic background, age, family situation, marital status, part-time or full-time workers, religion, politics, sexual orientation or any other irrelevant difference, and is committed to positively considering diversity. The principles of fair and open competition are used, and appointments are subject to merit.

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**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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**STATEMENT OF TRUSTEES' RESPONSIBILITY:**

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable legislation and the Acceptable General Accounting Exercises of the United Kingdom.

The law requires the Trustees to prepare accounts for each financial year that will give a true and fair view of the Company's situation during that period. In preparing those accounts, the Trustees must:

- select suitable accounting policies and apply them consistently;
- follow the methods and principles in the 'Statement of Recommended Practice for Charities' (SORP);
- make judgements and estimate reasonably and prudently; state whether applicable standards have been followed, subject to any disclosed material departures explained in the financial statements;
- prepare the accounts on the basis that the Company will continue to act if it is not inappropriate to assume this.

The Trustees are responsible for keeping appropriate accounting records that disclose the Company's financial position fairly accurately at any time, and also to enable them to ensure that the financial statements are in accordance with the Companies Act 2006. They also have a responsibility to protect the assets of the Company and to take steps to prevent and detect fraud or other irregularities.

According to the Trustees' understanding:

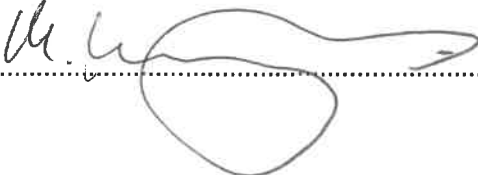
- there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the Charity's auditors are unaware;
- the Trustees have taken all necessary steps to ensure that they are aware of any relevant auditable information and to ensure that the Charity's auditors are aware of that information.

The Trustees are responsible for the care and accuracy of the corporate and financial information that is included on the charity's website. Legislation in the United Kingdom that manages, prepares and distributes financial statements may differ from legislation in other authorities.

**AUDITORS**

The re-appointment of the auditors, Llŷr James, will be proposed at the Annual Meeting.

The Trustees' report and the annual accounts were approved on 12 July 2019.

  
..... Professor M. Wynn Thomas

## **CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WELSH BOOKS COUNCIL FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Opinion**

We have audited the financial statements of Cyngor Llyfrau Cymru for the year ended 31<sup>st</sup> March 2019 which comprises the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> March 2018 and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusion relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept;
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Charities Act 2011, s.144 and report in accordance with regulations made under s.154 of that act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WELSH BOOKS COUNCIL FOR THE  
YEAR ENDED 31 MARCH 2019 (Continued)**

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reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

*Bethan Vaughan* .....

DATE: *1st July 2019* .....

BETHAN VAUGHAN

Senior Statutory Auditor

For and on behalf of

LLŶR JAMES Cyf.

Statutory Auditors

25 Bridge Street

Carmarthen

SA31 3JS



**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income through charitable activities</b>						
Grants	3	1,105,800	30,000	2,728,031	3,863,831	4,009,683
Other Grants	3	-	-	195,000	195,000	-
Departmental Income	4	198,264	-	13	198,277	180,317
<b>Other commercial activities</b>						
Distribution Centre	8	2,698,281	-	-	2,698,281	2,633,272
Investments	4	-	-	4,706	4,706	4,226
<b>Total incoming resources</b>		<b>4,002,345</b>	<b>30,000</b>	<b>2,927,750</b>	<b>6,960,095</b>	<b>6,827,498</b>
<b>Resources expended</b>						
<b>Charitable activities</b>						
Grants distributed	5/6	-	-	2,548,100	2,548,100	2,548,100
Charitable expenditure	7	1,439,880	52,865	274,532	1,767,277	1,748,687
<b>Other commercial activities</b>						
Distribution Centre	8	2,686,087	-	-	2,686,087	2,628,721
<b>Total resources expended</b>	<b>2</b>	<b>4,125,967</b>	<b>52,865</b>	<b>2,822,632</b>	<b>7,001,464</b>	<b>6,925,508</b>
<b>Net incoming resources before transfers</b>		<b>(123,622)</b>	<b>(22,865)</b>	<b>105,118</b>	<b>(41,369)</b>	<b>(98,010)</b>
<b>Other recognised gains / (losses)</b>						
Actual gain / (loss) on defined benefit scheme	21	(259,000)	-	-	(259,000)	624,000
Movement on investments	13	-	-	(115)	(115)	(1,949)
Transfer between funds		(25,294)	30,000	(4,706)	-	-
<b>Net movement in funds</b>	<b>22</b>	<b>(407,916)</b>	<b>7,135</b>	<b>100,297</b>	<b>(300,484)</b>	<b>524,041</b>
Balances brought forward at 1 April 2018		(737,857)	230,694	189,058	(318,105)	(842,146)
<b>Balances carried forward at 31 March 2019</b>	<b>17-19</b>	<b>(1,145,773)</b>	<b>237,829</b>	<b>289,355</b>	<b>(618,589)</b>	<b>(318,105)</b>

No separate income and expenditure statement has been prepared.

The Charity Trustees wish to note that the pension fund has influenced the final financial outcome. They wish to note that the Dyfed Pension Fund is beyond the company's control.

The notes on pages 17 to 29 form a full part of these accounts.

## CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL

## BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	12	253,008	253,008
Investments	13	179,118	128,308
		<u>432,126</u>	<u>381,316</u>
<b>Current assets</b>			
Debtors	14	309,444	297,172
Distribution Centre stock		295,029	329,097
Cash at bank and in hand	15	1,025,973	1,074,387
		<u>1,630,446</u>	<u>1,700,656</u>
<b>Liabilities:</b> Amounts falling due within one year	16	735,161	958,077
<b>Net current assets</b>		<u>895,285</u>	<u>742,579</u>
<b>Total assets less liabilities</b>		<u>1,327,411</u>	<u>1,123,895</u>
<b>Pension Fund</b>	21	(1,946,000)	(1,442,000)
		<u>(618,589)</u>	<u>(318,105)</u>
<b>Funds</b>			
Unrestricted	17	800,227	704,143
Pension Fund	21	(1,946,000)	(1,442,000)
Unrestricted due to pension adjustment	17	(1,145,773)	(737,857)
Designated	18	237,829	230,694
Restricted	19	289,355	189,058
		<u>(618,589)</u>	<u>(318,105)</u>

Approved by the Honorary Chief Officers and Chief Executive of the Council on 12 July 2019  
and signed on their behalf by

  
Professor M. WYNN THOMAS Chairman

  
CHRIS HYWEL MACEY FCCA Treasurer

  
HELGARD KRAUSE Chief Executive

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019**

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	Note	2019 £	2018 £
<b><i>Cash flows from operating activities</i></b>			
Net cash provided by operating activities	23	<b>(48,414)</b>	188,145
Cash at beginning of year		<b>1,074,387</b>	886,242
Cash at end of year	23	<b><u>1,025,973</u></b>	<b><u>1,074,387</u></b>

NOTES TO THE ACCOUNTS

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**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a. Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Cyngor Llyfrau Cymru / Welsh Books Council meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy note(s).

**b. Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated based on purchase value. Commercial value is based on the objective of selling less than the estimated cost of disposal.

**c. Preparation of the accounts on a going concern basis**

Cyngor Llyfrau Cymru / Welsh Books Council has a deficit balance on the Balance Sheet of £618,589 (2018: £318,105). This is as a result of the introduction of the liability associated with the Defined Benefit Pension. The Pension Deficit is a long-term liability and the charity is able to meet all its current liabilities. The short-term liability of the pension deficit is recognised by the trustees and they are able to meet these obligations. The trustees are of the view that on this basis the charity is a going concern.

**d. Pension Costs**

Cyngor Llyfrau Cymru / Welsh Books Council operates a defined benefit pension within the Dyfed Pension Fund. With the adoption of FRS 102 in April 2014, this liability is shown in full on the Balance Sheet. The adjustments to the financial statement following this adjustment are shown in note 17, with the full pension liability shown in note 21.

**e. Investments**

Investments are stated at market value.

**f. Fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, evenly over its expected useful life, as follows:

- Computers and other equipment – over 5 years

Freehold land and buildings are not depreciated as the residual value is higher than the value in the Balance Sheet.

**g. Grants payable**

Grants payable are charged to the Statement of Financial Activities when a constructive obligation exists notwithstanding that they may be paid in the future accounting periods.

h. **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- Grants: where related to performance and specific deliverables, these are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued. Capital grants are accounted for as income as soon as they are receivable.
- Trading Income: income raised through the operation of the Distribution Centre under the charity's management is considered at the time a contractual obligation exists.
- Legacies: entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. No value is included where the legacy is subject to a life interest held by another party.

i. **Tax**

The Charity is exempt from the need to pay corporation tax due to its charitable status.

**2. Statement of Financial Movement**

The surplus/ (deficit) for the year after withdrawing the following:

	2019	2018
	£	£
Bank costs	8,628	9,158
Auditors' Fee	7,000	7,500

**3. Grants received**

	2019	2018
	£	£
<b>Welsh Government</b>		
Core funding	1,100,900	1,100,900
Publishing Grants for distribution	2,548,100	2,548,100
Core capital grant	30,000	30,000
Additional capital grant	-	179,750
London Book Fair grant	15,000	-
<b>Welsh Government DfES</b>		
Reading Promotion Schemes	140,000	140,000
Catalogue grant	4,900	-
Museums, Archives and Libraries Division	24,931	10,933
	<b>3,863,831</b>	<b>4,009,683</b>
<b>Other Grants</b>		
The British Council	5,000	-
The Reading Agency	190,000	-
	<b>195,000</b>	<b>-</b>

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**4. Income – Other Departments and Investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>		
Editorial	<b>24,713</b>	18,316
Design	<b>21,359</b>	20,855
Sales and Marketing	<b>112,189</b>	83,924
Information Services	<b>16,053</b>	16,249
Children's Books	<b>15,807</b>	
Investment Income	<b>4,706</b>	
	<b>20,513</b>	20,318
Services to Schools	<b>5,219</b>	4,430
Reading Promotion Scheme Sponsorship	-	4,584
Various Income	<b>2,924</b>	839
<b>Restricted funds</b>		
Dr Dewi Davies Fund	-	10,000
Alun Creunant Davies Fund	-	4,000
Esmée Fairbairn Foundation	-	1,000
Promotion of Writers Fund	<b>6</b>	23
Mary Vaughan Jones Award	<b>7</b>	4
	<b>202,983</b>	<b>184,543</b>

**5. Expenditure – Publishing Grants**

	<b>Nodyn</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<u>Welsh-language</u>			
Grants towards books	6a	<b>434,527</b>	451,327
Authors' and illustrators' grants		<b>395,600</b>	299,749
Appointments and training scheme		<b>165,096</b>	191,474
Grants towards magazines	6b	<b>363,267</b>	349,276
Funding for Welsh-language press		<b>200,000</b>	204,250
Grants towards CD-ROMs and games		<b>2,500</b>	2,000
Grants towards marketing		<b>47,996</b>	54,953
Market research		<b>12,075</b>	28,741
Grants to booksellers		<b>27,776</b>	24,760
Grants to books for Welsh learners		<b>29,707</b>	70,238
<u>English-language</u>			
Grants towards books	6c	<b>329,917</b>	278,037
Grants towards magazines	6d	<b>169,006</b>	191,867
Grants towards marketing		<b>43,550</b>	41,283
Appointments scheme		<b>75,414</b>	86,342
Authors' grants		<b>39,150</b>	44,650
Classics		<b>26,067</b>	35,656
Training		<b>4,508</b>	9,894
Administrative costs		<b>181,944</b>	183,603
<b>Total Publishing Grants</b>		<b>2,548,100</b>	<b>2,548,100</b>

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**6. Grants per publisher**

<b>6a. Welsh-language Publishers – Grants for books</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Y Lolfa	115,000	123,388
Gwasg Carreg Gwalch	95,830	97,165
Gwasg Gomer	48,198	63,420
Rily	39,200	38,800
Gwasg y Dref Wen	38,094	45,254
Cyhoeddiadau Barddas	24,000	29,400
Atebol	23,000	6,500
Cyhoeddiadau'r Gair	12,450	10,800
Dalen Llyfrau	7,500	5,000
Gwasg y Bwthyn	6,450	13,750
Colin Thomas	3,000	-
Honno	1,800	-
Firefly	1,550	1,300
Graffeg	620	-
Dalen Newydd	135	-
University of Wales Press	-	3,400
Gwasg Pantycelyn	-	3,000
Cyhoeddiadau Curiad	-	2,350
Francis Boutle	-	2,000
Prompt publishing for Christmas payment	17,700	5,800
	<b>434,527</b>	<b>451,327</b>

**6b. Welsh-language Publishers – Support for magazines**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Barn	80,000	80,000
Golwg	74,000	73,000
Wcw	30,000	30,000
O'r Pedwar Gwynt	26,000	20,000
Cip	24,500	26,000
Barddas	23,000	24,000
Lingo Newydd	18,000	18,000
Y Cymro	18,000	13,500
Mellten	14,000	14,000
Y Selar	11,000	11,000
Lysh	9,670	-
Y Wawr	9,500	10,000
Llafar Gwlad	7,000	7,000
Y Traethodydd	5,500	6,000
Cristion	4,100	4,800
Mam Cymru	3,000	-
Parallel Cymru	1,825	-
Fferm a Thyddyn	1,500	1,500
Cost of tendering for magazines 2019–2023	2,672	-
Marketing grants for the above	-	10,476
	<b>363,267</b>	<b>349,276</b>

## CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL

## NOTES TO THE ACCOUNTS (CONTINUED)

**6c. English-language Publishers – Grants for books**

	2019	2018
	£	£
Seren	114,000	95,000
Gwasg Gomer	56,565	27,235
Parthian	50,100	52,200
Honno	33,602	34,702
Firefly	22,000	22,000
Cinnamon Press	14,850	15,050
Y Lolfa	14,800	11,950
University of Wales Press	12,500	6,700
Gwasg Carreg Gwalch	9,500	9,200
Martin Dawes	2,000	2,000
Rily	-	2,000
	<b>329,917</b>	<b>278,037</b>

**6d. English-language Publishers – Support for magazines**

	2019	2018
	£	£
Planet	50,000	50,424
New Welsh Review	37,500	62,500
Poetry Wales	25,000	25,000
The Welsh Agenda & Click on Wales	25,000	25,000
Wales Arts Review	26,875	20,000
Grants for small magazines	2,600	5,800
Cost of interviews and advertising for tenders	2,031	-
Training	-	3,143
	<b>169,006</b>	<b>191,867</b>

**7. Departmental Expenditure**

	2019	2018
	£	£
Editorial	122,529	107,511
Design	92,402	101,653
Sales and Marketing	409,832	377,339
Information Services	68,365	72,047
Children's Books	91,438	78,555
Services to Schools	130,555	129,367
Reading Promotion Schemes	154,931	155,517
Reading Well Scheme	98,601	-
Renewal and Capital Expenditure	52,865	179,750
Support costs	326,297	334,167
<b>Unusual costs</b>		
Provision for holiday pay	(2,038)	(11,219)
Movement in Pension Scheme Obligation	221,500	224,000
	<b>1,767,277</b>	<b>1,748,687</b>



## CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL

## NOTES TO THE ACCOUNTS (CONTINUED)

## 8. Income and Expenditure at the Distribution Centre

	2019 £	2018 £
<b>Income</b>	<b>2,698,281</b>	<b>2,633,272</b>
<b>Costs</b>		
Books purchased	2,149,628	2,107,440
Salaries, insurance, pension	332,858	313,687
Running costs of vehicles	12,045	10,637
Travelling and subsistence	1,514	1,754
Carriage, post, packaging materials	99,036	80,383
Purchase and maintenance of equipment	29,932	34,939
Rent, rates, heating, lighting, telephone	8,547	22,648
Insurance, maintenance of buildings	8,675	12,346
Printing and stationery	2,200	1,821
Discounts allowed	29,859	28,306
Sundries	11,793	11,010
Auditors' fees	-	3,750
<b>Total Expenditure</b>	<b>2,686,087</b>	<b>2,628,721</b>
Surplus /(Deficit) for the year	<b>12,194</b>	<b>4,551</b>

## 9. Total cost of resources

	Staff costs £	Other costs £	Grants £	Total 2019 £	Total 2018 £
Direct charitable costs	1,332,807	3,302,501	2,366,156	7,001,464	6,925,508

## 10. Staff

	2019 £	2018 £
Salaries	1,100,281	1,076,382
Employer's National Insurance Contribution	100,802	97,851
Employer's Pension Contribution	155,220	154,988
Pension past service deficit	(23,496)	23,300
Total salaries	<b>1,332,807</b>	<b>1,352,521</b>
The average number of staff employed during the year (Full-time posts)	<b>40</b>	<b>39</b>

During the year, 1 member of staff (2018 – 1) earned, including national insurance, between £60,000 and £70,000.

# CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL

## NOTES TO THE ACCOUNTS (CONTINUED)

### Remuneration to key staff

Along with the Chief Executive, there are four heads of department (2018 – 3) who form the Senior Management Team, and the following payments were made during the year:

	2019 £	2018 £
Salaries	202,672	133,494
Social Security Costs	22,410	15,043
Pension Costs	29,793	20,241
	<u>254,875</u>	<u>168,778</u>

### 11. Remuneration to trustees

The trustees do not receive any remuneration as they are appointed by outside authorities or bodies and are not entitled to payment. The total cost paid to trustees (travelling to meetings etc.) during the year was £785 (2018: £675).

### 12. Fixed Assets

	Freehold land and buildings £	Computers and other equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
at 1 April 2018 and 31 March 2019	<u>253,008</u>	<u>225,987</u>	<u>10,821</u>	<u>489,816</u>
<b>Depreciation</b>				
at 1 April 2018	–	225,987	10,821	236,808
Provided during the year	–	–	–	–
at 31 March 2019	<u>–</u>	<u>225,987</u>	<u>10,821</u>	<u>236,808</u>
<b>Net value</b>				
at 31 March 2019	<u>253,008</u>	<u>–</u>	<u>–</u>	<u>253,008</u>
at 31 March 2018	<u>253,008</u>	<u>–</u>	<u>–</u>	<u>253,008</u>

All assets are used for charitable purposes.

### 13. Investments

The market value of these investments as at the end of the financial year was £179,118 (2018 – £128,308).

The investments are held by Blackrock in their Charinco and Charinshare Investment Funds that are based in the UK.

The investments are recognised at their commercial value at the balance sheet date. The investments have been revalued, and any gains or losses are recognised in the Financial Activities Analysis.

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**14. Debtors**

	2019	2018
	£	£
Trade debtors	230,637	192,095
Other debtors	50,269	69,123
Prepayments	28,538	35,954
	<u>309,444</u>	<u>297,172</u>

All amounts stated are due in less than one year.

**15. Cash at bank and in hand**

	2019	2018
	£	£
Book Tokens	256,952	255,454
Others	769,021	818,933
	<u>1,025,973</u>	<u>1,074,387</u>

**16. Liabilities: Amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	406,247	393,863
Book Tokens	204,776	204,776
Taxes and Pension	40,551	46,876
Other creditors	83,587	312,562
	<u>735,161</u>	<u>958,077</u>

There are no creditors for more than one year, excluding book tokens, where one cannot be certain when they will be paid.

**17. Unrestricted Funds**

	Balance			Transfers and pensions	Balance
	1 April 2018	Incoming	Outgoing		31 March 2019
	£	£	£	£	£
Capital Funds	450,000	—	—	50,000	500,000
Income Funds					
Pension Fund	(1,442,000)	—	245,000	(259,000)	(1,946,000)
Council	45,516	1,304,064	1,194,880	(75,294)	79,406
Distribution Centre	208,627	2,698,281	2,686,087	-	220,821
	<u>(737,857)</u>	<u>4,002,345</u>	<u>4,125,967</u>	<u>(284,294)</u>	<u>(1,145,773)</u>

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

## NOTES TO THE ACCOUNTS (CONTINUED)

### 18. Designated Fund

	Balance 1 April 2018 £	Incoming £	Outgoing £	Transfer £	Balance 31 March 2019 £
Capital Funding					
Welsh Government	30,000	30,000	52,865	-	7,135
Computer development fund	200,694	-	-	30,000	230,694
	<u>230,694</u>	<u>30,000</u>	<u>52,865</u>	<u>30,000</u>	<u>237,829</u>

### 19. Restricted Funds

		Balance 1 April 2018 £	Incoming £	Outgoing £	Balance 31 March 2019 £
Dr Dewi Davies Fund	i	57,135	1,721	1,528	57,328
Promotion of Authors Fund	ii	40,919	6	604	40,321
Mary Vaughan Jones Award	iii	4,831	7	-	4,838
Cymdeithas Lyfrau Ceredigion Fund	iv	81,173	2,985	2,689	81,469
Alun Creunant Davies Fund	v	4,000	-	-	4,000
Esmée Fairbairn Foundation	vi	1,000	-	1,000	-
Grants for distribution					
Publishing Grants	vii	-	2,548,100	2,548,100	-
Reading Promotion Schemes	viii	-	154,931	154,931	-
London Book Fair	ix	-	20,000	20,000	-
Reading Agency – Reading Well	x	-	190,000	88,601	101,399
Museums, Archives and Libraries Division – Reading Well	xi	-	10,000	10,000	-
		<u>189,058</u>	<u>2,927,750</u>	<u>2,827,453</u>	<u>289,355</u>

- i. **Dr Dewi Davies Fund**  
The interest on the fund is to be used to fund prizes for competitions to promote reading amongst children and young people.
- ii. **Promotion of Authors Fund**  
A general fund for the promotion of creative writing in Welsh.
- iii. **Mary Vaughan Jones Award**  
The fund is used every three years to award a person for an outstanding contribution in the field of children's books over a substantial period.
- iv. **Cymdeithas Lyfrau Ceredigion Fund**  
The interest of the fund is to be used to fund prizes for the Tir na n-Og competition and other activities to promote reading through the medium of Welsh amongst children and young people.
- v. **Alun Creunant Davies Fund**  
A donation received to produce a volume to celebrate the work of the Books Council.
- vi. **Esmée Fairbairn Foundation**  
£1,000 was received in 2017/18 towards Poetry Day 2018. All of this funding was spent during the year, and the Welsh Books Council contributed an additional £656.

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**vii. Welsh Government Publishing Grant**

An annual grant is received which is limited to specific purposes noted in the Action Plan and the Award Letter. The grant panels receive regular reports regarding this funding, and they approve any expenditure from this fund.

**viii. Reading Promotion Schemes**

An annual grant is received which is limited to reading promotion schemes (Quick Reads/ Stori Sydyn, World Book Day and the Summer Reading Challenge). £140,000 of the funding is awarded by the Welsh Government's Education Department, with the remainder being a contribution from the Museums, Archives and Libraries Division.

**ix. London Book Fair**

On behalf of a partnership of organizations, £15,000 was received from the Welsh Government and £5,000 from the British Council to fund a presence at the London Book Fair. The money has been spent in its entirety and no funding is being carried forward to the next financial year.

**x. The Reading Agency – Reading Well**

This is the first year of the Reading Well scheme. The money is provided by The Reading Agency, which is a registered charity. This work is limited to translation and publication of books relating to dementia and mental health, which will be available in libraries and for purchase. Due to the timing of the project, a high proportion of the grant has been carried to the next financial year.

**xi. Museums, Archives and Libraries Division – Reading Well**

A grant of £10,000 was received towards the cost of the books in the Reading Well Scheme and the distribution of books to local libraries.

**20. Analysis of Net Assets Between Funds**

	<b>Fixed Assets</b>	<b>Net Current Assets</b>	<b>Long Term Creditors</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>				
Dr Dewi Davies Fund	57,328	-	-	<b>57,328</b>
Promotion of Authors Fund	40,321	-	-	<b>40,321</b>
Mary Vaughan Jones Award	-	4,838	-	<b>4,838</b>
Cymdeithas Lyfrau Ceredigion Fund	81,469	-	-	<b>81,469</b>
Alun Creunant Davies Fund	-	4,000	-	<b>4,000</b>
The Reading Agency – Reading Well	-	101,399	-	<b>101,399</b>
<b>Restricted Funds</b>	<b>179,118</b>	<b>110,237</b>	<b>-</b>	<b>289,355</b>
<b>Designated Funds</b>	<b>-</b>	<b>237,829</b>	<b>-</b>	<b>237,829</b>
<b>Unrestricted Funds</b>	<b>253,008</b>	<b>547,219</b>	<b>(1,946,000)</b>	<b>(1,145,773)</b>
	<b>432,126</b>	<b>895,285</b>	<b>(1,946,000)</b>	<b>(618,589)</b>

**21. Pension Scheme**

Nature of Scheme: Defined Benefit

Date of last full Actuarial Valuation: 31 March 2016

**ACTUARIAL ASSUMPTIONS**

<b>Financial Assumptions</b>	<b>Beginning of Year</b>	<b>End of Year</b>
Rate of inflation	2.10%	2.20%
Rate of increase in salaries	3.60%	3.70%
Rate of increase in pension	2.20%	2.30%
Discount rate	2.50%	2.40%

The end of year figures for the market value of the assets and split assets between investment categories have been calculated as at 31 March 2019. The corresponding figures for the start of the year have been calculated as at 31 March 2018.

**Balance Sheet Items as at 31 March 2019**

	£000
Market Value Assets	12,299
Liabilities	(14,245)
Surplus (Deficit)	<u>(1,946)</u>

**Movement in Surplus during 2018/19**

Surplus (Deficit) at beginning of year	(1,442)
Current Service Cost	(334)
Employer Contributions	131
Net Interest	(36)
Administration Costs	(6)
Actuarial Gain or (Loss)	(259)
Surplus / (Deficit) at end of year	<u>(1,946)</u>

**Additional Disclosure Pension Assets**

	Assets on 31.03.19		Assets on 31.03.18	
	£000	%	£000	%
Equities	8,486	69	8,085	71
Government Bonds	750	6	-	-
Other Bonds	1,316	11	2,222	19
Property	1,673	13	1,076	9
Liquidity	74	1	69	1
Total	<u>12,299</u>		<u>11,452</u>	
Liabilities on 31.03.19	<u>14,245</u>			

**CYNGOR LLYFRAU CYMRU / WELSH BOOKS COUNCIL**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**22. Net movement in the Funds**

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Unrestricted Funds		
Income Funds		
Distribution Centre	<b>12,194</b>	4,551
Council	<b>83,890</b>	46,411
Pension Fund	<b>(504,000)</b>	400,000
Designated Fund	<b>7,135</b>	60,000
Restricted Funds	<b>100,297</b>	13,079
	<b>(300,484)</b>	524,041

**23. Reconciliation of net income (expenditure) to net cash flow from operating activities**

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Net Income for the year	<b>(300,484)</b>	524,041
Adjustments:		
(Gains)/losses in value of investments	<b>(50,810)</b>	1,949
(Gains)/losses on defined benefit scheme	<b>504,000</b>	(400,000)
(Increase)/decrease in stock	<b>34,068</b>	103,132
(Increase)/decrease in debtors	<b>(12,272)</b>	30,070
Increase/(decrease) in creditors	<b>(222,916)</b>	(71,047)
Net cash provided by operating activities	<b>(48,414)</b>	188,145